

Sunstone achieves 51% ownership in the Bramaderos gold-copper project

Key Points

- **Project expenditure to earn the initial 51% interest in Bramaderos has been met**
- **Sunstone has a 90 day period to make an election to proceed to 70% ownership**
- **Drilling continues at the Limon target**
- **Mobilisation of the second drill rig to the high-grade West Zone gold target is near completion and drilling is expected to commence next week**

Sunstone Metals Limited (ASX:STM) is pleased to advise that it has earned a 51% interest in the Bramaderos Project in Southern Ecuador.

The required Expenditures of US\$3.4M on the Property as defined in Clause 1.(a) of the Bramaderos Project Letter Agreement have been exceeded and Sunstone has earned an undivided right, title and interest in the Bramaderos Concession through a 51% shareholder interest in La Plata Minerales S.A. (PLAMIN) the holder of the Bramaderos concession. Sunstone's partner in the project, Cornerstone Capital Resources Ltd. will hold 49% of PLAMIN. For details of the terms of the Bramaderos agreement please refer to ASX announcement dated 10th April 2017.

Sunstone has elected to exercise the option to become the project operator, and now has a 90 day period within which to make an election to move to 70% ownership through the 'Second Option' by delivering a feasibility study and making a payment to Cornerstone of the greater of US\$250,000 or US\$1/gold equivalent ounce in Measured and Indicated Resources in the feasibility study.

Sunstone Managing Director Malcolm Norris said:

"We are very pleased to have reached this milestone and look forward to continuing our exploration program at the exciting Bramaderos Project. We value our relationship with Cornerstone and will look to advance the exploration activities and deliver significant value growth for our shareholders through discovery of gold and copper at Bramaderos. The results from our drilling activities to date are delivering significant grades and widths of mineralisation and demonstrate the potential to deliver a sizeable gold-copper system"

Drilling at the Limon prospect is progressing well and drilling at the high-grade West Zone gold target utilising a second rig is expected to commence next week.

ASX ANNOUNCEMENT

About Sunstone Metals

Sunstone has an advanced portfolio of exploration and development projects in Scandinavia and Ecuador. The portfolio comprises:

1. **The Bramaderos Gold-Copper Project** where Sunstone has signed an earn-in agreement with TSXV listed Cornerstone Capital Resources (see ASX announcement dated 10th April 2017). The Bramaderos gold-copper project is located in Loja province, southern Ecuador, and is considered to be highly prospective for the discovery of large porphyry gold-copper systems, and high-grade epithermal gold systems. Historical exploration results from drilling at Bramaderos together with recent exploration by Sunstone and joint venture partner Cornerstone Capital Resources (TSXV:CGP) indicate multiple fertile mineralised systems with significant discovery potential.
2. **The Southern Finland Gold Project** includes the Satulinmäki gold prospect. Shallow diamond drilling was completed by the Geological Survey of Finland (GTK) during the period 2000-2005 and this was followed by a 7-hole diamond drilling program by Sunstone Metals in 2016. Intersections from GTK include 18m @ 4.1g/t Au from 50m downhole, including 3m @ 9.3g/t Au, and 4m @ 10.3g/t Au in drill hole R391. Intersections by Sunstone include 23.5m at 3.3g/t in SMDD007 and 2m at 10.5g/t in SMDD005. The Satulinmäki gold prospect is part of an earn-in JV with Canadian company Nortec Minerals, where Sunstone holds an ~82% interest, is funding on-going work, and has also acquired a significant land position, in its own right, in the district.
3. **The Scandinavian Lithium Project** includes the Kietyönmäki lithium prospect. Drilling by Sunstone has delivered 24.2m at 1.4% Li₂O in a spodumene-bearing pegmatite. Kietyönmäki is also part of the JV with Nortec Minerals.
4. **Sunstone has a significant equity** interest of ~37.6% in Stockholm listed Copperstone Resources (COPP-B.ST) following the recent sale of the Viscaria Copper project.

Competent Persons Statement

The information in this report that relates to exploration results is based upon information reviewed by Mr Malcolm Norris who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Norris is a full-time employee of Sunstone Metals Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Norris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For further information, please visit www.sunstonemetals.com.au

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